



Decision to exclude San Leon Energy Plc

June 2016

San Leon Energy Plc (San Leon Energy) is an Irish-registered company engaged in oil and gas exploration in Europe and North Africa.¹ More specifically, the company also engages in oil exploration off the coast of Western Sahara.

Norges Bank announced on 4 March 2016 that it had excluded the company from the Government Pension Fund – Global's investments in accordance with the Council on Ethics' recommendation. KLP and the KLP Funds have never invested in the company and abide by this recommendation.

Reason for the Council on Ethics' recommendation

The Council on Ethics explains its recommendation as follows:

*The Council recommends the exclusion of San Leon Energy Plc from the Government Pension Fund Global because the company contributes to serious violations of fundamental ethical norms through its onshore hydrocarbon exploration in Western Sahara on behalf of Moroccan authorities.*²

A detailed description of the case can be found in the Council on Ethics' recommendation.³

KLP's guidelines and assessment

KLP and the KLP Funds have previously excluded both Total S.A.⁴ and Glencore plc⁵ for the same activities as those in which San Leon Energy is engaged. The grounds for exclusion presented in the Council on Ethics' recommendation are in line with KLP's own guidelines, and we see no reason to diverge from its conclusion.

¹ San Leon Energy, <http://www.sanleonenergy.com/home.aspx> (last visited 4 March 2016).

² Council on Ethics (21 December 2015), *Recommendation to exclude San Leon Energy Plc from the Government Pension Fund Global*. URL: http://etikkradet.no/files/2016/03/ENG-Tilradning_San_Leon_Energy_2015.pdf.

³ Ibid.

⁴ KLP (1 June 2013), *Decision to exclude Total S.A. from investment*. URL: http://english.klp.no/polopoly_fs/1.28396.1409665032!/menu/standard/file/Total_Decision_to_exclude_03062013_ENGLISH.pdf.

⁵ KLP (8 December 2015), *Decision to exclude Glencore plc from investment*. URL: http://english.klp.no/polopoly_fs/1.32495.1450153728!/menu/standard/file/Glencore%20decision%20to%20exclude%20ENG.pdf.



KLP's decision

San Leon Energy is excluded from investment by KLP and the KLP Funds as of June 2016.